

**Statement of Craig Cox to the
Conservation, Credit, Rural Development and Research Subcommittee
House Committee on Agriculture
on behalf of**

**American Farmland Trust, Center for Science in the Public Interest, Defenders of Wildlife,
Environmental Defense, Henry A. Wallace Institute for Agricultural and Environmental
Policy at Winrock International, Mississippi River Basin Alliance,
National Wildlife Federation, Soil and Water Conservation Society, Sierra Club,
Sustainable Agriculture Coalition, Union of Concerned Scientists**

**Regarding Implementation of the Conservation Provisions Of the
Farm Security and Rural Investment Act of 2002**

Mr. Chairman, members of the Committee, thank you for the opportunity to appear before you today. My name is Craig Cox; I serve as Executive Director of the Soil and Water Conservation Society. Today I am representing a coalition of agriculture, conservation and environmental organizations including American Farmland Trust, Center for Science in the Public Interest, Defenders of Wildlife, Environmental Defense, Henry A. Wallace Institute for Agricultural and Environmental Policy at Winrock International, Mississippi River Basin Alliance, National Wildlife Federation, Sierra Club, Soil and Water Conservation Society, Sustainable Agriculture Coalition, and Union of Concerned Scientists. All of our organizations are vitally interested in the implementation of the conservation title of the Farm Security and Rural Investment Act of 2002 ("2002 Farm Bill").

The reason for our interest is both simple and compelling. You made a historic investment—rivaling that of the 1985 bill—in conservation and environmental management when you passed the conservation provisions of the 2002 Farm Bill. Moreover, those provisions broke new ground in their emphasis on conservation and environmental management of working land—the cropland, pasture, and rangeland that produces agricultural commodities and environmental benefits simultaneously. The conservation provisions of the 2002 Farm Bill create a remarkable opportunity to enhance environmental quality and ensure the commercial viability of U.S. agriculture.

We applaud you for directing your attention to assuring that the Farm Bill's conservation provisions pay off for taxpayers, agriculture, and the environment. We would like to offer suggestions in six areas to contribute to achieving that promise: 1) funding, 2) technical assistance, 3) the Conservation Security Program (CSP), 4) environmental performance, 5) the Farm and Ranch Lands Protection Program (FRPP), and 6) Conservation Compliance.

Funding

You mandated an increase in funding of nearly 80 percent when you passed the 2002 Farm Bill -- a major step forward. Your historic investment in conservation and environmental management, however, appears at risk. Through fiscal year 2004, conservation programs funded through the Commodity Credit Corporation (CCC) have actually received about 94 percent of

the total funding you made available, excluding the CSP, Wetlands Reserve Program (WRP), and Grasslands Reserve Program (GRP). That is the good news. The bad news is that conservation programs subject to annual appropriations have received only 23 percent of the funding you authorized. More important, we lost a full year and three-quarters of implementation of the Conservation Security Program (CSP). The appropriations bill has restricted the WRP to a slower enrollment than provided by the farm bill. Also, when accounting for the losses to the four so-called “donor” programs from which money has been shifted to cover technical assistance costs for other programs, the 94 percent funding level mentioned above drops to just 85 percent.

Conservation programs, then, have already taken substantial cuts, and the President’s Budget Request for fiscal year 2005 proposes more cuts. Only three programs—the Farm and Ranch Land Protection Program (FRPP), the Ground and Surface Water Conservation Program, and the Agricultural Management Assistance Program—are proposed to receive their full authorized funding. The President’s request for all other conservation programs is well below authorized levels. His request for EQIP, for example, is \$200 million, or 17 percent, below the 2002 Farm Bill authorized level. Proposed funding for the Wildlife Habitat Incentives Program (WHIP) is 30 percent below its authorized level. Other programs take more severe cuts.

The President’s proposed cuts in conservation programs are particularly troubling at a time when relatively high commodity prices are, thankfully, adding to farmers’ bottom lines but subtracting from your bottom line—agriculture’s budget baseline. Conservation and environmental management are fundamental to a prosperous future for U.S. agriculture. Indeed, those objectives are the primary motivation for our organizations to appear before you today. We recognize, however, that conservation and environmental management are not the only objectives that must be achieved for U.S. agriculture to prosper. Preserving agriculture’s budget baseline is important to all of us. Full funding of the Farm Bill’s conservation provisions is an important and popular way to shore up that baseline. But most important, full funding of the conservation provisions is the only way to ensure that taxpayers’ investment really pays off for those who pay the bill but live far from the farm.

We urge you to exercise your leadership to ensure all of the funding you made available for conservation and environmental management is actually realized in fiscal year 2005 and beyond. The groups I am speaking for today have recently written to your colleagues on the appropriations subcommittee, urging them to resist the temptation to place limitations on mandatory farm bill conservation funding and to keep faith with the funding decisions Congress made in the farm bill. We urge you to continue your efforts to ensure such an outcome.

Technical Assistance

The capacity to deliver high quality technical advice, consistently and within a reasonable amount of time, is the single most important factor that will determine whether the investment you made in 2002 pays off for taxpayers, producers, and the environment. That is true now, more than ever, as producers face a complex environmental agenda. Water quality, air quality, water conservation, endangered species, and a multitude of other environmental concerns now

drive the conservation agenda. Meeting those challenges requires a robust technical services infrastructure. That infrastructure is comprised of research, education, and technical assistance.

You recognized the importance of one component of that infrastructure—technical assistance—when you mandated that conservation programs funded from the CCC pay their own way for the technical assistance needed to apply the conservation practices funded by financial assistance programs. Your efforts have paid off with about \$678 million in CCC funds for technical assistance since the 2002 Farm Bill was signed into law. That is an important step forward.

Unfortunately, events since passage of the Farm Bill have clouded your accomplishment. The Department of Justice opted to interpret the Farm Bill in a manner that severely restricts CCC funding for conservation technical assistance, despite statements opposing that interpretation from many Members of Congress and from the U.S. General Accounting Office.

In the next major chapter of this ongoing technical assistance funding crisis, Congress, in the Omnibus Appropriations Act of 2003, mandated that four CCC-funded conservation programs—FRPP, GRP, EQIP, and WHIP—pay their own way on technical assistance. In addition, Congress permitted (though did not direct) USDA to use CCC funds intended for those four programs to also be used to fund technical assistance for four other conservation programs—WRP, CRP, Klamath Basin, and Ground and Surface Water Conservation. This policy on funding of technical assistance for CCC-funded conservation programs remains the same in the Omnibus Appropriations Act of 2004.

The conflicting interpretations of congressional intent and the resulting unsatisfactory and partial solutions applied to date in an attempt to resolve those conflicting interpretations have short-changed taxpayers, producers, and the environment. The net monetary impact has been to reduce farm bill conservation spending by roughly \$100 million per year. This funding is being taken away from programs that already are fully subscribed, with demand exceeding the dollars available. These funds are being withheld from farmers and ranchers who want to implement activities to improve soil and water quality and conservation, enhance wildlife habitat, save wetlands, and preserve farmland. We hope you agree with us that this result is unacceptable.

We see only two options to solve this nagging problem. The first and best option is for the Administration to revisit the Department of Justice findings and conclude that Congress clearly intended that CCC funded financial assistance programs should pay their own way for technical assistance. The Administration should use its existing authority to pay for CRP and WRP technical assistance using CCC funds. Technical assistance for dollar-capped programs with direct funding should be drawn from the CCC dollars authorized for those programs, as is currently the case. Technical assistance for acreage-capped programs with direct funding should be drawn from the CCC over and above the amounts for financial assistance, not from double dipping into the dollar-capped programs as is happening now.

The second best option is for Congress to take the lead to solve the problem through technical corrections to the 2002 Farm Bill that clarify congressional intent and through directed scoring that avoids any offsets—unfair in our estimation—that Congress may be instructed to make to

solve this problem. Failing those two options, we recommend that Congress amend the CCC charter act to exempt technical assistance from the so-called Section 11 cap and offset any—again, unfair in our estimation—increases in spending through savings in CCC outlays already realized through increased commodity prices.

The clock is ticking to find a solution to this problem. The massive sign-ups for the Conservation Reserve Program (CSP) anticipated for fiscal years 2006 through 2008 will bankrupt either the technical assistance budget or the budget for financial assistance programs unless action is taken soon. We urge you to again exercise your leadership in exercising one of the three options outlined above.

This short-term problem is urgent and needs a solution. But we urge you to seize a longer-term opportunity by asking USDA to prepare a strategic plan and a budget to build a technical services infrastructure suitable for the environmental management challenges agriculture faces today. That strategy and budget must account for how the new \$678 million has been invested to date. More important, that strategy and budget must couple the new funding you made available from the CCC with strategic increases in discretionary funding for research, education, and the Conservation Technical Assistance program. Those resources should be allocated to federal, state, and local government agencies; nongovernmental organizations; and the private sector based on a realistic assessment of the potential for each sector to contribute to an infrastructure tailored to meet the site-specific needs of local communities. The investment in technical assistance you made using CCC funds, coupled with the Technical Service Providers initiative, creates an unprecedented opportunity to build the technical services infrastructure essential to meeting the demands of conservation and environmental management on working. We urge you to work make sure we don't miss that opportunity.

As part of this effort, we urge NRCS to accelerate the improvement of its existing natural resource quality criteria and conservation practice standards and to expand its technical guides and planning tools to incorporate resource concerns and standards related to biodiversity, plant and animal germplasm conservation, pollinator protection, on-farm energy conservation, organic farming systems, wildlife exclusion practices, and other cutting edge conservation issues currently ignored or treated superficially within the technical and financial assistance programs and infrastructure.

Conservation Security Program (CSP)

The Conservation Security Program (CSP) is among the most important and innovative provisions of the 2002 Farm Bill. CSP brings new elements to the conservation portfolio, notably, (1) rewarding good conservation farmers and ranchers for the environmental benefits they are currently producing because they stepped out and took conservation action on their land, oftentimes without any public assistance, (2) encouraging a comprehensive systems approach to conservation rather than a single-practice approach, and (3) emphasizing management-intensive conservation systems rather than structural practices to enhance environmental quality. CSP improves upon the scope of Title I programs by reaching out to all agricultural producers, regardless of region or commodity produced, establishing a comprehensive foundation for the future of federal farm programs.

Many of the organizations I represent today diverged substantially from USDA's proposed approach to implementing CSP. At this juncture, however, all the organizations participating in this testimony believe the most urgent need is to go ahead with a sign-up for CSP, even under the temporary financial constraints imposed in fiscal year 2004 by the appropriators, and to ensure that CSP is implemented in the coming years as the fully fledged conservation entitlement program Congress authorized.

The interim final rule for the CSP released by NRCS last week and expected to appear in the Federal Register this week is at odds with the law on multiple key points. It is unfortunate that following Congress' action in January of this year to lift the funding cap on the CSP for fiscal year 2005 and beyond that the Administration did not respond with a rule that set forth a structure for managing the CSP as the uncapped, comprehensive national program established by the farm bill. The severe geographical restrictions placed on the program, the extremely limited opportunities for enrollment, the scaling back of the payment levels, the removal of farmer contract renewal rights, and the use of an enrollment ranking system, among other shortcomings that directly contradict the statute, should all be cause for alarm.

Going forward, we urge you to do all you can to:

- Ensure appropriators do not cap funding for CSP in fiscal year 2005 or any future years.
- Insist the Administration ramp up the CSP thoughtfully and swiftly to become the base conservation and environmental management program for working land envisioned by Congress when it passed the farm bill.
- Hold USDA accountable to making comprehensive revisions to a final rule that will guide enrollment for FY 2005 and beyond.
- Emphasize the unique features CSP brings to the conservation portfolio.
- Insist the Administration create an administrative mechanism to make sure that the sophisticated level of technical assistance demanded by a new, performance-based program like CSP is available to all producers enrolling in the program, so that producers have the help they need to achieve measurable environmental improvements.
- Preserve the integrity of the CSP as a "green box" program as the agricultural negotiations at the WTO move forward.

U.S. producers -- regardless of what commodity they produce or in which region of the country their farm or ranch is located -- need more options, not fewer options, to sustain their operations while delivering the environmental benefits the public is expecting. CSP is an important new option. We urge you to ensure the CSP fulfills its potential.

Environmental Performance

The 2002 Farm Bill marked a turning point in agricultural conservation policy for the United States. By its passage, you recognized the importance of environmental management, in addition to resource conservation, to the sustainability of U.S. agriculture. We think that recognition may prove to be one of the most lasting contributions you made to U.S. agricultural conservation

policy. It is essential to ensure that your efforts pay off in tangible improvements in water quality air quality, fish and wildlife habitat, and other key components of environmental quality.

Implementation of the **Environmental Quality Incentives Program** (EQIP) is particularly important in this regard for three reasons. First, the statutory purposes of EQIP demand environmental performance, second, you provided EQIP with the lion's share of new funding for conservation on working land, and third, the EQIP statute created a flexible structure well suited to meeting the unique challenges of environmental management. Analysis of EQIP implementation, however, indicates that the manner in which NRCS, at the state level, sets priorities, allocates funds to local units and ranks EQIP applications for funding will not maximize environmental benefits. In many states, on-the-ground implementation of EQIP appears inconsistent with provisions of the 2002 Farm Bill and/or the NRCS regulations implementing the program.

Like all other conservation programs, EQIP is oversubscribed. Despite the increase in funding you provided, EQIP had a \$3.1 billion backlog at the end of fiscal year 2003. Given that demand far exceeds available funds, it is critical that EQIP's resources be used as efficiently and effectively as possible so that producers and the public can get the most environmental bang for the buck from this program. We urge you to insist that NRCS make a number of changes in how it implements EQIP to enhance environmental performance.

Many states are ignoring key criteria in EQIP regulations. For example, the EQIP final rule lists promotion of at-risk species habitat conservation as one of the program's four National Priorities. Moreover, the EQIP rule *requires* states consider criteria including: the proposal's cost-effectiveness; the magnitude of the environmental benefits resulting from the treatment of resource concerns; the relative environmental performance of conservation practices; the existence of multi-county and/or multi-state collaborative efforts to address regional priority natural resource concerns; and ways and means to measure performance and success.

Unfortunately, many states have not designed systems for ranking applications that effectively incorporate these and other key requirements of the rule. Many states are not funding projects focused on at-risk habitat conservation even though that is one of the four national priorities. In addition, NRCS in many states apparently misinterpreted the 2002 Farm Bill's prohibition against bidding down and did away with any consideration of cost in ranking applications. And despite the rule's requirement that states consider the magnitude of environmental benefits, reflecting higher levels of performance of practices, many states do not recognize or reward higher levels of improvement toward defined environmental outcomes.

We recommend that you exercise your oversight authority to make sure state ranking systems for EQIP:

- Reward higher levels of improvement toward defined environmental outcomes.
- Ensure that practices providing multiple benefits are rewarded properly.
- Incorporate cost-effectiveness in order to deliver the greatest environmental benefit and to be fair to all farm and ranch operations, regardless of their size.

- Give particular weight to sustainable farming systems and practices and to integrated management approaches that assist farmers and ranchers to improve the economic and environmental performance of their operations.
- Create separate ranking sheets and funding pools for state or locally identified resource concerns to avoid complicated comparisons of apples and oranges.
- Encourage the adoption and implementation of innovative approaches and promising new technologies tied to achieving desired environmental goals.

Second, we strongly believe that environmental benefits from EQIP can be dramatically increased by further focusing program dollars on collaborative projects, consistent with the requirements of the EQIP rule. We therefore recommend that NRCS hold back \$400 million in fiscal year 2005—one-third of the authorized funding level—to fund collaborative projects that bring multiple producers and partners together to realize a defined environmental goal that is important to local communities and that contributes to achieving national priorities. We further propose that NRCS increase the hold back in EQIP for collaborative projects as CSP ramps up and becomes the base conservation program available to all producers practicing effective conservation.

The 2002 Farm Bill requires that 60 percent of EQIP cost-share and incentive dollars go to livestock production, with EQIP funds to be used both to assist regulated producers meet regulatory requirements and to help farmers and ranchers avoid the regulatory system altogether -- for example, by adopting sustainable grazing systems that are not subject to regulations, or by enhancing wildlife habitat on ranchlands to help at-risk species recover, thereby avoiding the need for future listings and critical habitat designations. In addition, the Managers' Statement directs the NRCS to encourage the use of grazing systems, such as year-round, rotational or managed grazing systems, that enhance productive livestock and poultry operations. Promotion of these environmentally and economically sustainable production systems achieves another major statutory purpose of EQIP -- to assist producers to make beneficial and cost-effective changes to their productions systems with regard to nutrient management, grazing management, and other practices. Promoting non-regulated, environmentally and economically sustainable livestock and poultry production systems also addresses the statutory requirement that the Secretary accord a higher priority to providing assistance and payments that encourage use of cost-effective conservation practices.

We recommend that this Committee request from NRCS a comprehensive accounting of EQIP funding, with a particular emphasis on dollars for livestock production. Currently, NRCS collects data on the dollars spent per practice, but does not gather data comprehensively on how practices are combined for projects, a much better measure of achievement. And NRCS collects data detailing the on-the-ground environmental impact or anticipated impact of dollars spent only on a limited, somewhat ad-hoc basis.

With regard to livestock this accounting should include information on how much funding is going to livestock operations designated as Concentrated Animal Feeding Operations requiring NPDES permits under the Clean Water Act. Information should include the amount of funding provided to individual CAFOs and the amount of funding provided to these operations for waste lagoons, waste-handling facilities, animal waste digesters, and other capital construction costs.

This information will enable NRCS and others to assess the value of these generally more expensive projects and ensure that the dollars spent are effectively and efficiently advancing water and air quality improvement goals. We are particularly concerned to determine if EQIP funding is encouraging the expansion of existing CAFOs or the siting of new CAFOs in watersheds whose waters are already impaired by nutrient overloads. We would also like to determine whether, as promised, NRCS has undertaken publicly available environmental assessments for large-scale CAFOs receiving EQIP funds. Such improved data collection efforts would not only provide Congress and the public with a better measure of how EQIP funds are being used, but enable NRCS to ensure that it is providing the best assistance possible to participating producers and helping them achieve their environmental management goals.

We urge the Committee to exercise its oversight authority to ensure EQIP is the best it can be in terms of delivering real environmental benefits to farmers, ranchers, and taxpayers. We have been discouraged by the lack of information and analysis from USDA on EQIP contracts since passage of the 2002 bill and urge you to assist us in obtaining the detailed information necessary to provide a public assessment of what the dramatically increased public investment is purchasing. To facilitate this improved data collection and analysis, we urge Congress to ensure that NRCS has the resources it needs to perform this essential task without impacting the direct services farmers and ranchers receive from the agency

We also urge you to support the legislative amendment that passed in the other body last year and is expected to be offered in the future to reduce the EQIP payment limitation to a more reasonable level to prevent abuse and to ensure widespread distribution of available funding, especially important in light of continuing high backlog levels.

EQIP may be particularly important to environmental performance given its stated purposes, funding, and flexibility, but other programs have much to offer to environmental performance. The **Partnerships and Cooperation** provisions in the 2002 Farm Bill are an opportunity to knit conservation programs together—and leverage additional funds—to support locally-led efforts to improve the environment and sustain agricultural production. It is unfortunate that more than two years after the 2002 Farm Bill became law this important new authority has yet to be implemented. We understand a request for planning grant proposals will be issued soon, but in our view it is now past time to have actual Partnerships and Cooperation projects funded on the ground in fiscal year 2004.

We urge you to ensure USDA takes full advantage to integrate multiple conservation programs and empower local people to tailor conservation programs to their unique circumstances through special projects. We also urge you to remove the arbitrary limit placed on EQIP funding for support of special projects. Program funding should be made available to accommodate all high quality proposals received under the Partnership and Cooperation provisions.

The **Conservation Reserve Program** (CRP) plays a critical role in the conservation portfolio as the largest program devoted to restoring and/or protecting environmentally sensitive land. CRP has helped cut soil erosion, improve water quality, and restored millions of acres of wildlife habitat since its inception in 1985.

However, CRP can, and should, given the substantial public investment, do an even better job of enhancing soil, water, and wildlife habitat. We recommend the following specific changes to the way CRP is currently implemented:

- Target the continuous sign-up components of CRP to achieve soil, water, and aquatic habitat objectives on working land and place greater emphasis in general sign-ups on restoring large blocks of terrestrial wildlife habitat—an objective no other USDA conservation program is as well suited to achieve.
- Continue to address nationally significant conservation issues through targeted and locally tailored enhancement programs (CREPs). Ensure continued support of the 29 existing CREPs that have been approved in 25 states and encourage the establishment of new ones to address such issues as hypoxia in the Gulf of Mexico, restoration of threatened and endangered species habitat, and protection and enhancement of public drinking water supplies.
- Permit periodic haying and grazing of buffers under an approved conservation plan, when consistent with the conservation purposes of the program.
- Apply the same set of financial incentives to all continuous sign-up practices and pay an incentive to producers who work as a group to install contiguous buffers along streams.
- Revise the EBI through a public notice-and-comment process by giving more weight to the impact of the location and size of the potential enrollment, by providing more points for higher-value practices relative to lower-value practices, by providing more points for rental rate discounts relative to local rents, and by providing more points for installing native vegetation.
- Prohibit planting of inappropriate vegetation, such as trees in areas dominated or formally dominated by prairie, that degrade the value of the habitat for grassland bird species and potentially make it more difficult to avoid controversies over at-risk or listed species.

We support the use of managed haying and grazing on CRP as a management tool to help achieve the program's environmental goals. It is critical, however, that this tool be properly used. NRCS needs to provide guidance in the field that specifically addresses how to use haying and grazing as a management tool for conservation purposes based upon best available science. Managed haying and grazing should be approached from an overall ecosystem health point of view, reflecting all resource concerns. It is particularly critical that primary nesting and brood-rearing season restrictions are set appropriately for the area; that protective conditions are included for highly sensitive areas; and that appropriate stocking rates/residual cover heights are set to meet wildlife management objectives. We believe the decision on how long and how often grazing should be allowed must be tailored to the specific grassland type and region under the direction of state technical committees, but with national oversight to ensure decisions are based on sound science. In some places the one out of three year rule imposed on haying and grazing may be appropriate, but in many other cases less grazing or more grazing, conducted on sound, carefully managed rotational basis, is the appropriate choice based on management experience and scientific data. And in some areas, managed haying may not be appropriate at all.

The **Grasslands Reserve Program** (GRP) also has an important role to play and should be supported. Given funding limitations, in our view priority should be given to protecting grasslands at risk to conversion to cropland and to protecting and restoring native prairie and

other land with high biodiversity and ecological values. Care should also be given to establishing payment rates for the shorter-term rental agreements and longer-term easements that appropriately reflect their value.

Evaluation and accountability: Fundamental to all efforts to enhance the environmental performance of conservation programs is the capability to evaluate their performance. That evaluation requires access to information regarding how funds are spent. We have detailed our concerns about this in regard to EQIP above. Our concern, however, extends to all programs. Monitoring, assessment and evaluation are critical, and the new provisions in the CSP in this regard should be of major assistance. Transparency is also essential to building public confidence and support for conservation programs. It is our hope that information is shared more readily in the future and that resort to repeated FOIA attempts to gain what should be readily available public information will not become the norm. Public participation is also a key to improving planning and evaluation. We continue to urge improvements to the State Technical Committee system to increase the accountability of the agency at the state level to its STC volunteers, and we also continue to urge the Department to change the rules governing the Local Working Groups to integrate them into the State Technical Committee structure and to provide for public participation on the same basis as is the case for the STCs.

Farm and Ranch Lands Protection Program

The Farm and Ranch Lands Protection Program (FRPP) provides an important source of funding to states, municipalities and land trusts trying to stem the loss of productive farm and lands in the United States. In the three years since the passage of the 2002 Farm Bill, \$215 million in federal funding has leveraged over \$550 million in state and local funding in order to protect 306,000 acres of working farm and ranch lands. Despite these successes, concerns surround the administration of the program. Recent policy decisions involving impervious surface limitations on easements, annual monitoring requirements and easement administration threaten to alienate many of the state and local partners who make FRPP a success. We urge you to exercise your oversight authority to ensure that FRPP is administered in a manner that recognizes the experience and expertise that established state and local farmland protection programs have in working with private landowners to protect valuable farm and ranch lands around the country.

Conservation Compliance

The ground-breaking conservation compliance provisions of the 1985 farm bill led to large improvement in management of working land and wetland protection. The USDA Economic Research Service recently concluded that substantial reductions in soil erosion since 1985 can at least partially be credited to conservation compliance (*Environmental Compliance in U.S. Agricultural Policy: Past Performance and Future Potential*, June 2004). Beyond their importance for conserving resources and improving the environment, conservation compliance provisions create a level playing field for agricultural producers. Producers who invest in conservation should not be at a disadvantage because of subsidies provided by U.S. taxpayers. Compliance provisions contribute to creating a level playing field.

We recommend full enforcement of current conservation compliance provisions, particularly in light of the new investment the 2002 Farm Bill made in commodity-based subsidies. We also continue to urge you to re-link all the compliance features with the federal crop insurance program in future legislation.

In Sum

Much has been accomplished since passage of FSRI. Most of the funding—through fiscal year 2004—has been realized. Programs funded from the Commodity Credit Corporation (CCC) have received more than \$2.5 billion. About half the new acres authorized for the Wetlands Reserve Program (WRP) have been made available for enrollment and sign-ups in three critical components of the Conservation Reserve Program (CRP)—the continuous CRP sign-up (CCRP), Conservation Reserve Enhancement Program (CREP), and Farmable Wetlands Program (FWP)—have been promising. The conservation technical services infrastructure—the foundation of conservation and environmental management on working land—has been strengthened. About \$678 million in CCC funds have been provided for technical assistance, and the technical service provider (TSP) program is a clear, if small step, toward the 21st century infrastructure needed to realize the full promise of FSRI. Most of the basic conservation components of the 2002 Farm Bill have been put in place in the two years since the law's enactment, and conservation activity on the ground has accelerated.

It is incumbent on us now to go beyond the basics to achieve the full potential of the 2002 Farm Bill. We hope the recommendations we have provided will contribute to that goal.

Again, thank you for the opportunity to appear before you today.